

January 28, 2009

### **ECONOMIC RECOVERY ACT CLEARS HOUSE**

*Measure Intended to Save or Create Three to Four Million Jobs, Obey Says*

WASHINGTON, D.C. - Today, the U.S. House of Representatives approved the American Recovery and Reinvestment Act (H.R. 1). As Chairman of the House Appropriations Committee, Seventh District Congressman Dave Obey (D-WI) is the lead sponsor of this essential economic recovery bill that is intended to save or create three to four million jobs and help stabilize the economy and restore public confidence.

"America is facing an economic crisis greater than any since the Great Depression, with a staggering 2.6 million American jobs lost in the last year," Obey said. "As economist Mark Zandi so bluntly put it: 'the economy is shutting down.'"

"This package does a variety of things to try to re-inflate the economy," Obey added, noting that it

1. provides tax cuts in order to try to put some money in people's pockets;
2. attempts to jump-start job creation through infrastructure investments in roads, bridges, sewers, water repair, modernizing our electric power grid and expanding broadband access so all parts of the country have an opportunity to compete with internet access;
3. attempts to help those who are most impacted by the recession, who are losing their jobs, their health insurance and losing the ability to send their kids to college;
4. attempts to modernize the economy and begins the long process of doing that by accelerating the development of new technology through key investments in science and energy; and
5. attempts also to save jobs by stabilizing state and local budgets. Because of the economic collapse states face the prospect of huge deficits. Without help from the federal government to stabilize their situation they will be forced to impose major tax increases and devastating service cutbacks, which under these economic conditions would be hugely counterproductive."

Zandi, the chief economist of Moody's Economy.com, reviewed the economic recovery package approved by the House today and estimated that it would create or save nearly four million jobs over the next two years, including over 67,000 in Wisconsin. 'To ensure that we maximize the number of jobs created, the Recovery Plan has unprecedented accountability measures built in - providing strong oversight, and a high degree of public transparency,' Obey added.

The Act must now be approved by the Senate before it can be signed into law by the President. But Obey warned that 'The economy is in such trouble that, even with passage of this package, unemployment rates are expected to rise to between eight and nine percent this year. Without this package, we're warned that unemployment could explode to near twelve percent. With passage of this package, we will face a large deficit for years to come. Without it, those deficits will be devastating and we face the risk of economic chaos. The cost of this package is well worth the risk considering the alternative.'

###